

Article 5. Agreement Authority

5.1 This Agreement covers (a) U.S. government-impelled cargo subject to the Military Cargo Preference Act of 1904 (hereinafter “Military Cargo”) and (b) other U.S. government agency cargo and other U.S. government impelled civilian cargo (“U.S. Government-Impelled Cargo”).

5.2 Höegh is authorized to charter space to Farrell on an “as needed/as available” basis on U.S.-flag and/or foreign-flag vessels owned or chartered by it for such charter hire (expressed either as a fixed sum or as a percentage of freight) and on such other terms and conditions as the parties may agree from time to time, for the movement of Military Cargo or U.S. Government-Impelled Cargo in the Trade.

5.3 The vessel(s) shall operate in Höegh’s ocean carrier services, as determined by Höegh. The parties are authorized to discuss the route(s) of the vessels(s) as appropriate and Höegh will keep Farrell reasonably informed of the upcoming schedule(s) of the vessel(s).

5.4 Farrell may request that any vessel transporting cargo covered by Article 5.1 hereof call at or shift to any particular dock, wharf or other place. Höegh shall agree to such request if, in its exclusive judgment, such vessel may safely call at and depart from such dock, wharf or other place. The responsibility for the additional cost, if any, of such call or shift, shall be as agreed by the parties from time to time.

5.5 Either party shall, upon request of the other, provide or cause to be provided (by an affiliate or a third party), ancillary services with respect to Military Cargo and/or U.S. Government-Impelled Cargo moving hereunder including, but not limited to, coordinating with and/or supervising local agents and providers of logistics services, U.S. and/or foreign inland transportation, security, warehousing, supercargo, cargo planning, cargo tracking and reporting, bar coding/labeling, customs import and export services and documentation, tarping, cargo inspections and surveys, and cargo washing services. The compensation for such services shall be agreed by the parties from time to time.

5.6 The parties may cooperate with respect to the marketing of one or more U.S.-flag vessels owned by or chartered to Höegh; provided, however, that nothing herein authorizes the parties to agree on the rates to be proposed for the transportation of Military Cargo or U.S. Government-Impelled Cargo. Farrell and one or more of its affiliates may refer U.S. Government-Impelled Cargo to Höegh or one of its affiliates for carriage under the bill of lading of Höegh or its affiliate, for which Farrell or its affiliates may be compensated by Höegh or its affiliate on such terms as the parties may agree from time to time. The affiliates referenced in this Article 5.6 are identified in Appendix A to this Agreement, and it is understood that the references to such affiliates herein do not confer antitrust immunity under Section 7 of the Shipping Act (46 U.S.C. §40307) on said affiliates; provided, however, that nothing herein shall limit such antitrust immunity as may apply.